

## DOCUMENT RESUME

ED 200 164

HE 013 655

**AUTHOR** Bloomfield, Stefan D.  
**TITLE** Survey of the State-of-the-Art and Likely Future Trends of University Management in Europe: A North American Comparison.  
**INSTITUTION** Organisation for Economic Cooperation and Development, Paris (France). Centre for Educational Research and Innovation.  
**PUB DATE** [80]  
**NOTE** 56p.; For related documents, see HE 013 538-539 and HE 013 656. All four documents available as a set only from OECD. Individual reports available from EDRS in microfiche only.  
**AVAILABLE FROM** IMH2 Programme, OECD/CERI, 2, rue Andre Pascal, 75775 Paris CEDEX 16, France (\$30.00 complete set of 4).  
**EDRS PRICE** MF01 Plus Postage. PC Not Available from EDRS.  
**DESCRIPTORS** Accountability; \*Administrative Organization; \*Administrative Policy; \*College Administration; College Environment; Comparative Analysis; \*Comparative Education; Compliance (Legal); Economic Factors; Educational Demand; Faculty College Relationship; Foreign Countries; \*Higher Education; Institutional Autonomy; Legal Responsibility; Productivity; \*School Organization; School Size; State Colleges; Student Needs  
**IDENTIFIERS** Canada; \*Europe; \*North America; United States

## ABSTRACT

In conjunction with a survey of trends in university management in Europe, a North American comparison was undertaken. The national context for higher education in North America and the structural elements characteristic of its colleges and universities are considered, with emphasis directed to the elements of institutional structure that provide the sharpest contrast with the European experience. Several specific aspects of administrative structure and management practices of North American colleges and universities are analyzed, again with a focus on comparisons between North American and European institutions. Ten key issues are addressed: the impacts on management of changing demands for education based on student demographic variations and corresponding student needs; new legal requirements and restrictions; public accountability; institutional autonomy; the size of individual institutions and the number of institutions within a country; economic uncertainty; the increasing complexity of managing higher education institutions; the lack of internal cohesion in the sense of an academic community; management employee relations; and productivity. A typical organizational chart for a single-campus college or university in the United States or Canada is presented that includes the following elements: the governing board, the president and executive staff, the academic staff, state systems of higher education, unions, and students. The typical organization of a state university system is also examined. (SW)

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# SURVEY OF THE STATE-OF-THE-ART AND LIKELY FUTURE TRENDS OF UNIVERSITY MANAGEMENT IN EUROPE

**A NORTH AMERICAN  
COMPARISON**

U.S. DEPARTMENT OF HEALTH,  
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HE 013655-

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THE STATE-OF-THE-ART  
AND LIKELY FUTURE TRENDS  
OF  
UNIVERSITY MANAGEMENT  
IN EUROPE

**A NORTH AMERICAN  
COMPARISON**

by  
Stefan D. BLOOMFIELD  
Associate Director  
Planning and Institutional Research  
Oregon State University  
Corvallis, Oregon  
United States

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## ACKNOWLEDGEMENTS

The author would like to express his thanks to Frederick Halderston, Pierre Cazalis, Jean Jadot and D. Owen Carrigan, each of whom kindly offered corrections and contributed their thoughts during the writing of this paper. Their help was sincerely appreciated. Any omissions or inaccuracies remaining in this paper are, of course, the responsibility solely of the author.

SURVEY OF THE STATE-OF-THE-ART  
AND LIKELY FUTURE TRENDS OF  
UNIVERSITY MANAGEMENT IN EUROPE

A NORTH AMERICAN COMPARISON

1. INTRODUCTION AND BACKGROUND

In 1979 the OECD, through its Programme on Institutional Management in Higher Education (IMHE), undertook an ambitious review of existing management practices in European higher education. This project, entitled "Survey of the State-of-the-Art and Likely Future Trends of University Management in Europe", was intended to provide both an overview of the evolution of university management practices during the decade of the 1970s and an insight into prospects for continued change. The survey itself was conducted by three study teams, whose findings comprise the three Area Reports included in the final project documentation. In addition to these reports, the project description also proposed the inclusion of a comparison between the university management structures and practices observed in Europe and those existing in North America. A representative from the United States attended the Steering Group meeting at which the project description was approved, participated in the study team meetings at which the survey questionnaire was developed, and accompanied a team member on several university visits. Such North American representation throughout the active phase of the State-of-the-Art project helped prepare the ground for an eventual parallel analysis for the United States and Canada.

As envisaged in the project description, the North American comparison was not to derive from a formalized survey of universities as was the procedure in Europe. Rather, the report was to be an overall comparison based upon the author's personal knowledge of current managerial practices, as supplemented by a variety of recent studies and publications focused upon this aspect of higher education in North America. It must be emphasized that the enormous variety of institutional types and contexts constituting the North American higher education community necessitates a substantially greater degree of generalization in this study than was present in the European Area Reports. An inevitable consequence of such diversity, unfortunately, are the numerous exceptions to most of the general statements that will be offered in these pages. That fact acknowledged, this report nonetheless seeks to provide a comprehensive overview of current management practices in all of North America's universities, highlighting particularly those general aspects, both procedural and contextual, furnishing the most striking contrast to the European Area Reports.

Indeed, one of the most notable features of this comparison of university management in North America and in Europe is the extraordinarily wide range of contrasts involved. The higher education institutions of North America exhibit a diversity of form rivalling that found across the whole of Europe, yet many aspects of university management observed in North America possess a homogeneity in structure and procedure approaching that of the most highly centralized European educational systems. What is remarkable about such a situation, in contrast to the European experience, is that the extreme diversity observed in North American educational systems quite often reflects explicit state goals to establish and maintain such educational variety, whereas the homogeneity of many university management structures and practices results principally from understandings or conventions adopted independently and voluntarily by the North American higher education community.

### 1.1 Institutions Represented

The three European study teams visited 53 colleges and universities, selected from a total of about 400 comparable institutions in the countries surveyed. By contrast, there are almost 2,000 four-year colleges and universities in the United States, with an additional 1,200 two-year institutions and specialized schools completing the higher education community.<sup>1</sup> Canada contains 69 universities, accompanied by almost 190 two-year institutions and specialized schools.<sup>2</sup> The remarkable diversity of institutions among these four-year colleges and universities can be illustrated by the following examples.

#### 1.1.1 Institutional size

North American colleges and universities range in size from the enormous Ohio State University - a state university with over 50,000 students on a single campus - to small, private four-year colleges, some having fewer than 300 students. Although Canadian universities tend to be much smaller, several major state universities in the United States enroll more than 40,000 students on a single campus - a number substantially larger than observed at most European universities. (Although the University of Rome and University of Naples reported 117,000 and 77,000 students respectively, the relatively small number of academic personnel listed for these two institutions suggests that a large proportion of these enrollments does not correspond to "true" students. One of the European universities reporting slightly over 30,000 students, moreover, commented that their student enrollment was considered so overwhelmingly large as to constitute one of their most pressing managerial problems.)

#### 1.1.2 Financial support

The higher education institutions of North America receive financial support from a wide variety of sources. In Canada, the colleges and universities until recently

received operating funds both from the federal government and from the provinces. At present, these federal subsidies are received indirectly, channelled through the provincial governments. Institutional programmes of student scholarships and bursaries are funded by provincial ministries, with additional aid from a student loan programme supported by the federal government.

In the United States, many state colleges and universities receive almost their entire operating resources from the state; major research universities, however, also receive a substantial portion of their funding from the federal government in the form of research grants and contracts. Private colleges and universities, on the other hand, may depend entirely on student tuition, foundation grants, and private gifts (including return from endowment) for their revenues; those private institutions affiliated with a religious organisation may also receive substantial support from the church. In addition, federal funds in the form of research grants and contracts are an important source of income to those private colleges and universities conducting an active programme of research. Virtually all institutions of higher education in the United States, moreover, depend on federal monies in support of their programmes of student financial aid.

#### 1.1.3 Special characteristics

The wide diversity of North American colleges and universities reflects special roles and characteristics assumed by many of these institutions. Examples of such specialized designations include colleges restricting their enrolments solely to men or to women, colleges that have historically enrolled predominantly Black students or Indian students, experimental colleges with academic structures based upon a variety of non-traditional learning arrangements, "university families" grouping a collection of small, usually church-related, colleges in affiliation with a large public university, technological institutes ranging from small, vocationally-oriented four-year colleges to world-class scientific universities, church-sponsored colleges that may emphasize fundamentalist doctrine and may strictly prescribe student lifestyles, "elite" private institutions with highly selective admissions criteria, urban colleges and universities with programmes specially geared to the applied interests, occupational needs and scheduling difficulties of large city residents, and so-on. This diversity would be even more pronounced were one to include the many types of two-year college-preparatory and vocationally-oriented institutions in the United States and Canada.

It must be noted, however, that a variety of pressures have operated in recent years to reduce this diversity of institutional roles and types. In the United States, for example, financial pressures have persuaded many formerly single-sex colleges and universities to admit both men and

women, and have led to the bankruptcy and closure of a significant number of small private colleges; pressures for social change have also altered the character of many institutions historically catering to specific ethnic or religious groups. In Canada, a very large number of church-related colleges and universities have either closed or, more commonly, have been integrated into other existing universities. Although perhaps compensated to some extent by a still-evolving assortment of two-year colleges and other specialized educational institutions, it appears unlikely that the trend toward diminished diversity in the four-year colleges and universities of North America will be reversed in the foreseeable future.

## 1.2 Format of this Study

### 1.2.1 National context and university structure

Each of the European Area Reports contains a section of background information on the countries visited, describing the national structure of higher education and the types of institutions found. The historical and contextual details cited in these sections provide an important framework for understanding the environment in which the surveyed institutions operate. In particular, the reader is led to appreciate the extent to which recent national legislation, coupled with directives from educational ministries, has shaped administrative structures, restricted leadership alternatives and dictated managerial practices and processes for higher education in many countries of the survey. To provide a corresponding framework for analyzing the management practices in North American higher education, this study will begin with two sections describing the national context for higher education in North America and the structural elements characteristic of its colleges and universities. Emphasized in this discussion will be those elements of institutional structure that provide the sharpest contrast with the European experience and that are most germane to the subsequent comparison of managerial practices.

### 1.2.2 Administration and management

Following the general background information described above, several specific aspects of administrative structure and management practices in North American colleges and universities will be discussed. Again, emphasis will be placed on those characteristics of North American institutions most clearly differing from their European counterparts. The study will conclude with a consideration of the ten broad issues cited in the project description as principal concerns of the State-of-the-Art Survey.

## 2. NATIONAL CONTEXT

### 2.1 Federalism

The most striking characteristic of national policies toward higher education in North America has been the relatively strict and continuous adherence to a federalist doctrine of control. The British North America Act of 1867 granted control of education at all levels to the provincial governments of Canada, much as the "States' Rights" provisions of the United States Constitution had earlier granted control of education at all levels to the individual states. Thus, each state in the United States and each province in Canada has been free to establish its own system of education, although the national governments of both countries have retained limited jurisdiction over educational institutions by virtue of their authority to enact legislation in the interests of the country's defence or the common good of its citizens.

This structure for the control of North American higher education differs in several respects from the federalism of Germany. First, the states' primacy in matters of higher education has been more strictly observed in the United States and Canada than in Germany. This is clearly illustrated by the 1975 University Framework Law of Germany, which constitutes a centralized attempt to regulate university operations to an extent never approached by the national governments of North America. The national regulation of student admissions, capital construction and educational planning in Germany (which is perhaps quite reasonable given the small size of the country) are examples of federal control contrasting sharply with the tradition in North America. In the United States, however, the critical importance of federal financial support to programmes of sponsored research and the provision of student financial aid has given the federal government a growing means of exerting its authority within colleges and universities. Rather than attempting to control academic programmes or to influence institutional structure, however, the federal government has largely used this financial power to force institutional compliance with a wide range of social legislation, including such issues as equal employment opportunity, occupational health and safety, access for the handicapped and a variety of other nondiscrimination statutes. Although the federal government of Canada has similar potential powers of influence through its funding of university research programmes and its transfer of taxing power to the provinces in support of education at all levels, it has thus far not intervened as an instrument of social change as has been the case in the United States.

### 2.2 State-level Relationships

The federalism of the United States and Canada differs from that practised in Germany at the state level also. In general, the German states exercise substantially greater control over the structure and practices of their higher education institutions than is the case in North America,

although the range of relationships encountered within the states of these three countries inevitably creates exceptions to this statement. However, in any such comparison it is important to differentiate between state control of public institutions of higher education and state oversight of private colleges and universities. This distinction is perhaps not quite so important in Canada, where most institutions of higher education receive the bulk of their funding directly or indirectly from provincial governments and are, therefore, to a certain extent "public". In the United States, however, a state's extent of control over private institutions of higher education was explicitly limited by the 1819 Supreme Court decision in the case of Dartmouth College vs. Woodward, affirming that once a state charter of incorporation has been granted to a private college or university, the state cannot thereafter unilaterally change this charter so as to bring the institution under increased state control. The Dartmouth case, therefore, in assuring autonomy of control to the nation's private institutions of higher education, safeguards 1,400 of the 2,000 four-year colleges and universities in the United States from many kinds of state control observed in the European survey. (It must be noted, moreover, that such private institutions have been successful in safeguarding their privileges and prerogatives under this court ruling, to no small extent, due to the close ties they have maintained with influential friends and supporters in the political systems of federal and state governments.) Public colleges and universities, however, enjoy no such legally conferred protection, and have witnessed inroads made by state and provincial governments in many areas of institutional operations. Examples of the various aspects of institutional operations commonly influenced by states and provinces under the North American doctrine of federalism include the following.

#### 2.2.1 Academic programmes

To a very large extent, the states and provinces have refrained from specifying the content or pedagogy of academic programmes. The main exceptions to this policy involve those academic programmes whose graduates require state certification to practise their profession; examples include the certification of teachers for elementary and secondary schools and the licensing of medical practitioners and paramedical personnel. As is traditional with regard to the national diplomas in France, a North American state (usually in close co-operation with the corresponding association of professional practitioners) may set licensing requirements that effectively mandate relative emphases to be given to different topics in a curriculum, specific courses that must be included, or minimum periods of study in selected subject areas. In contrast to the practice in France, however, it must be emphasized that such state intervention exists for only an extremely small number of academic programmes; almost all programmes in the sciences, humanities, social sciences and most professional faculties have remained free of such state influence.

### 2.2.2 Administrative structure

Although neither the federal nor the state governments of North America have sought to dictate directly the administrative structure of higher education institutions, colleges and universities in the United States have seen many elements of their internal structure (and related procedures) undergo substantial modification in the last ten years so that they may more effectively respond to new federal and state legislation - even though such legislation may not explicitly mandate these administrative modifications. For example, centralized offices of institutional research have been created, in part, to respond to state and federal demands for increasingly detailed data to ensure public accountability; affirmative action offices have been established to centrally monitor and certify compliance with state and federal regulations concerning equal opportunity and nondiscrimination in employment; administrative offices have been established to co-ordinate institutional compliance with state and federal legislation regarding radiation safety, occupational safety and health, use of humans in experimental research and so-on. In addition to the creation of new administrative functions, there has been an increased centralization of previously decentralized activities. For example, colleges and universities have had to create centralized offices for the administration of student financial aid and programmes of sponsored research in response to state and federal demands for co-ordinated institutional procedures in each of these areas.

Although the above paragraph describes relatively new pressures on the administrative apparatus of higher education institutions, many state colleges and universities have long been burdened with administrative constraints reflecting their status as agencies of the state. Most prominent among such state-imposed constraints are requirements that technical and clerical staff be hired and regulated through the apparatus of the state civil service (although they receive their wages from the institution), and that equipment and supplies for the institution be requisitioned and purchased through the state's centralized purchasing procedures. The bureaucratic procedures and restrictive regulations accompanying such constraints on state institutions share all the managerial defects characteristic of their European counterparts.

### 2.2.3 Managerial processes

The autonomy of North American colleges and universities in developing their own management structures has generally been respected by the states and provinces. (The principal exception to this policy - changes in the composition of institutional governing boards - will be discussed later.) Nonetheless, many areas of managerial prerogative, particularly in public institutions of higher education, have become increasingly restricted by state funding practices

or state actions affecting the structure of higher education. State funding policies, for example, may subject public colleges and universities to possible detailed state examination, and subsequent alteration, of specific budget items. State strategy to control the structure of higher education affects institutional management prerogatives through such actions as the formation of state-wide systems of higher education and the creation of higher education co-ordinating agencies in the United States and the development of advisory councils to the provincial governments of Canada.

#### 2.2.4 State systems of higher education

The strategy adopted by many states in the United States to better co-ordinate higher education programmes and to more efficiently allocate educational resources has been to combine formerly autonomous state institutions into a single system. Various patterns have been adopted for the creation of such systems, as illustrated in the following examples.

1. The State of California has formed two separate systems for its public four-year colleges and universities: the University of California System groups the state's nine select, research-oriented universities, and the California State University and Colleges System oversees the state's nineteen other four-year colleges and universities.
2. The Oregon State System of Higher Education is a single system containing all of the state's four-year colleges and universities, grouping together eight institutions ranging from technical institutes and four-year colleges to large research universities and health science centres.
3. The mammoth State University of New York groups together most of the public institutions of higher education outside of New York City, including six universities and health science centres, nineteen four-year colleges, thirty community colleges and nine other specialized schools. There is a separate higher education system for the city of New York, consisting of nine colleges and a university centre, seven community colleges and one specialized school.

As these examples illustrate, state systems can vary enormously in size and in the diversity of institutions that are included. In states having a single system of higher education grouping all of the state's four-year colleges and universities, the centralized system administration is, from the viewpoint of the individual institutions, in many ways analogous to a European educational ministry (although in no cases are such system offices empowered to determine total state expenditures for higher education). Even in states with large, comprehensive systems of higher education, however, an analogy with the centralized state systems

of Europe would be misleading in view of the very large number of private colleges and universities existing in the United States independently of these state systems. For example, the twenty-eight state colleges and universities of California's two highly centralized state systems constitute only a fraction of the 147 four-year colleges and universities found in that state. In Oregon, the State System of Higher Education includes all eight public four-year colleges and universities, but there are twenty-one additional private four-year colleges and universities unaffected by policies within this system. Nevertheless, those public institutions now included within a state system of higher education have had to adapt to this new form of educational control - and it is with respect to their managerial structures and processes that they have experienced the most notable changes (to be discussed later).

#### 2.2.5 Educational co-ordinating councils

The most recent form of state-wide control of higher education in the United States is the emergence of educational co-ordinating agencies (commonly called councils or commissions) within the various states. Unlike the central offices of state systems of higher education, the educational co-ordinating councils are conceived explicitly as agents of the state, reporting directly to the governor or legislature. Although their compositions vary markedly from state to state, the common purpose of these co-ordinating councils is to ensure the most effective use of the state monies appropriated to higher education. To that end, these agencies (in either an advisory role or with delegated authority for decision-making) may analyze institutional budget submissions, evaluate requests for new programmes, investigate questionable programme duplication, certify student enrolment projections and suggest possible clarification or redefinition of institutional goals and missions. In addition, such co-ordinating agencies often act as central clearinghouses for the increasingly detailed institutional data demanded by the state and federal government to ensure institutional accountability to the taxpayer. Because such state co-ordinating councils are merely superimposed over an existing structure of higher education institutions, their emergence has had little effect on institutional management structures and their constraining influence on decision processes is less severe than that imposed by a centralized state higher education system upon its member institutions. It seems likely, however, that these co-ordinating agencies will exercise an increasingly comprehensive and direct authority over many aspects of higher education, both public and private, as educational resource requirements present heavier burdens on state resources.

#### 2.2.6 Provincial advisory boards

The tendency toward provincial control of higher education has evolved differently in Canada than in the

United States, due in large part to a tradition of advisory commissions - including high-level institutional executives - working closely with the provincial educational ministries. The individual provincial governments, however, have differed significantly in their use of, and delegation to, such advisory bodies. In some cases, as with the Universities Council in British Columbia and the Universities Commission in Saskatchewan, the model adopted has been that of the British University Grants Committee - that is, an intermediate agency responsible for allocating the provincial monies appropriated for higher education. These commissions are additionally charged with a wide range of evaluating and co-ordinating responsibilities similar to those of the state co-ordinating councils in the United States.

Other provinces, by way of contrast, maintain advisory bodies having no legally conferred powers of decision. The Quebec Council of Universities is one such body, with its powers strictly limited to advising the provincial ministry on the annual allocation of funds to higher education, as well as other matters the minister might bring before it; the minister, however, is under no obligation to follow the recommendations of this advisory body. Because the vast majority of higher education institutions in Canada receive their operating funds from the state, the province-wide co-ordination effected through the operational or consultative powers of these advisory bodies is more easily observed than is possible in the United States, with its predominance of privately funded colleges and universities.

### 2.3 Dynamics of Change

One of the most notable features of the three European Area Reports is the impression they yield of extreme ferment in European higher education: changes in national policy are abrupt, major in scope and subject to sweeping revision as new governments come to power. Almost all of the countries surveyed have undergone major shifts in educational policy in the 1970s - shifts that have profoundly affected administrative structures and management practices in higher education. This period of turmoil in European higher education stands in marked contrast to the experience in North America, where the pace of change has been far slower, the impetus far more indirect and the evolution far less easily observed. One reason for this difference is that neither Canada nor the United States possesses a national educational ministry empowered to clearly enunciate national policy for higher education, nor to exert authority over the structure or operations of higher education institutions. Moreover, although the form of state control over public institutions of higher education in North America is not unlike that established in Ireland under the Higher Education Act of 1971, the present environment of state control over public institutions of higher education in Canada and the United States has resulted from evolutionary change, built upon previously

existing university/state relationships - as opposed to reflecting a discontinuous change resulting from specific legislative acts or changes in government policy. There is every reason to believe that such a process of evolutionary change will continue to characterize the national environment of higher education in North America in the foreseeable future.

### 3. UNIVERSITY STRUCTURE

On the following page appears a typical organisational chart for a single-campus college or university in the United States or Canada. The following paragraphs will describe the various elements of this chart, with particular emphasis on the structural differences most clearly distinguishing North American institutions of higher education from their European counterparts. Later in this section, the typical organisation of a state university system will be discussed.

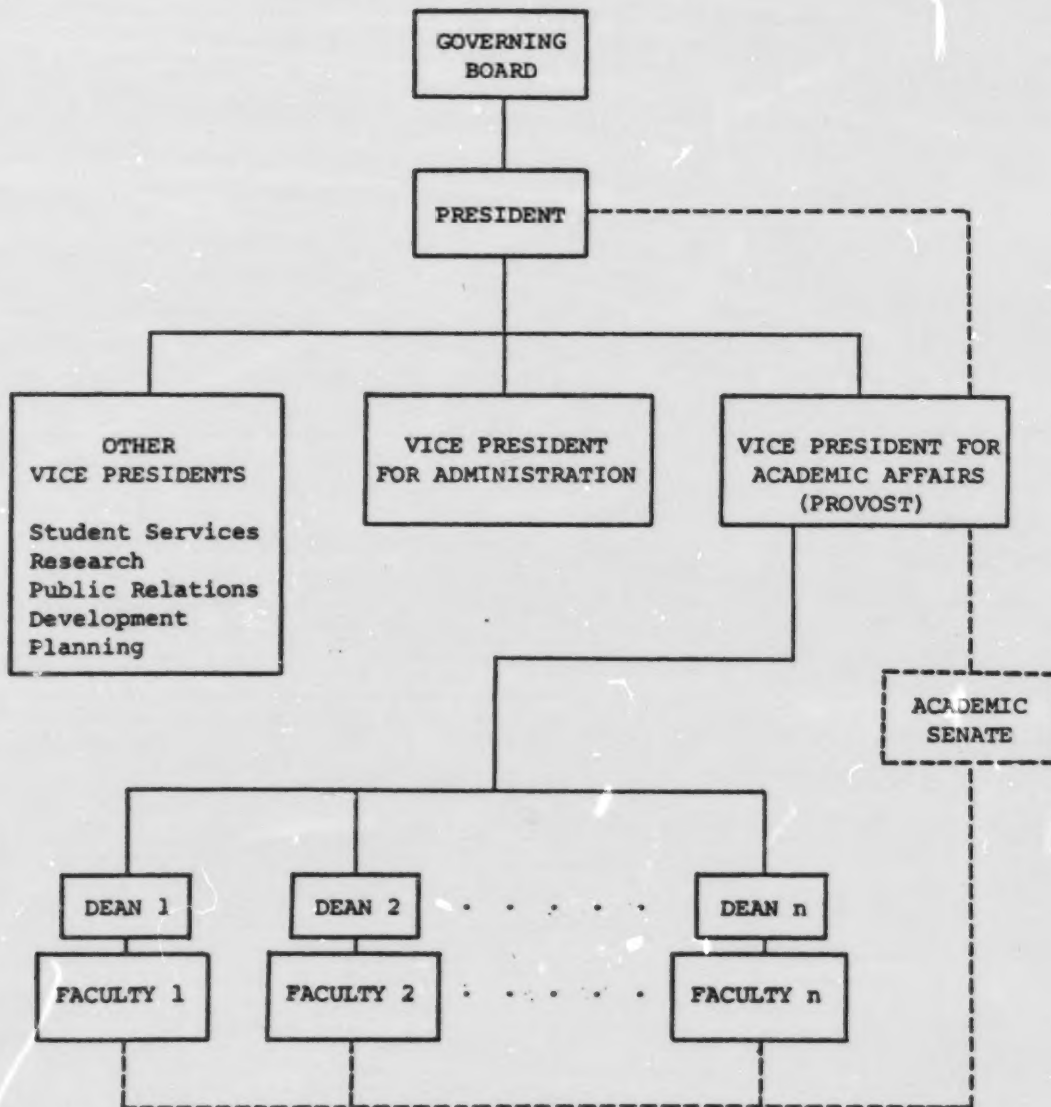
#### 3.1 The Governing Board

The colleges and universities of North America are chartered as corporations under the statutes of the state or province within which they are located. The earliest colleges were church-related institutions, with corporate power granted to a governing board composed predominantly of clergy. As new private colleges became chartered, the tradition continued of investing corporate control over the institution in a governing board composed of externally-chosen nonacademic citizens. When state colleges first appeared, such institutions were not founded as agencies of state or provincial governments under ministers of education in the continental tradition, but rather "took the form of public corporations parallel in their general organisation to the private colleges".<sup>2</sup> These state colleges also were invested with governing boards, to whom the state legislature delegated complete corporate control of the institution.

This early concept of an external, nonacademic (or lay) governing board for a college or university has survived to the present virtually unchanged in the United States, with only slight modifications in Canada. Almost every non-proprietary college or university granted a charter by a state or provincial government has its corporate identity invested in a governing board, whose members are variously called trustees, regents, governors, or overseers. Board members for a state institution are most commonly named by a state governor or legislature; the boards of provincial universities until recently were named in part by the provincial government and, in part, by the university's alumni. The governing boards of private institutions, by contrast, are most often self-perpetuating; that is, they are empowered to select their own successors, by whatever criteria they deem appropriate.

Although their responsibilities as corporate controllers of the university are similar, there is an important distinction

ORGANIZATION OF A TYPICAL  
NORTH AMERICAN UNIVERSITY



tion between the societal roles played by the governing boards of private and public universities. The board of a state institution serves, in effect, in place of a state ministry - "enacting rules and ordinances governing the operation of the public institutions which otherwise might be the subject of executive direction or legislative enactment".<sup>4</sup> Thus the governing board of a state university represents the public interest, but remains outside of the political process. Although its members may be appointed by state government, their terms of service are purposefully long (ranging from five to sixteen years) and staggered, thus helping protect the board from domination by any specific political party or ideology. The governing boards of private institutions, by contrast, serve the societal role of trusteeship of a public good. They represent no constituency, but serve to defend the principles enunciated in the institution's charter of incorporation.

In comparing governmental influences in higher education between North America and Europe, one cannot overemphasize the unique role of the external governing board as an intermediary between the state and the educational institution. In this sense, "the governing board has served as a point of balance for that essential dualism between institutional and academic autonomy and public accountability which has characterized American education".<sup>5</sup> Board members, by representing the public interest, serve as a mechanism for monitoring the university's responsiveness to the needs of the state. On the other hand, the legal corporate identity of the governing board allows it to resist many types of external pressure and acts of interference, thereby helping safeguard the institution's autonomy and academic freedom.

Because the governing board is invested with complete legal authority and control over all aspects of university affairs, this entity has been the focal point of widespread pressure for democratization of institutional control. Traditionally, the governing boards of state institutions have been composed of civic-minded citizens with distinguished careers in public service or in private enterprise, chosen by the governor or state legislature for the multitude of reasons characteristic of any political appointment. The governing boards of private colleges and universities are usually larger than those of public institutions and have historically had membership weighted heavily toward individuals capable of providing substantial financial support to the institution, or in a position to help secure such support. Because such governing boards are self-perpetuating, new members tend to share the backgrounds and values of existing members, most of whom are drawn from business, industry and the professions; they are overwhelmingly male, Caucasian, Protestant, affluent and over-fifty.

### 3.1.1 Governing boards in Canada

The governing boards of higher education institutions in Canada, depending on the type of institution, have long included members some of whom may be elected by the governing board itself or by the alumni and some of whom may be appointed by the provincial government. Some boards have also permitted academic personnel from the institution to qualify for board membership. The influential Duff/Berdahl Commission in their 1966 report University Government in Canada found, however, that governing boards were still composed predominantly of businessmen and lawyers.<sup>6</sup> Their strong recommendation that the academic staff be formally represented on the board and that the university's students be empowered to elect a non-student representative as a board member precipitated action by a large number of Canadian colleges and universities. Within the last ten years the vast majority of Canadian governing boards have changed their composition so as to include both academic personnel and students as full-fledged members. In addition to such increased institutional representation, it is now common for governing boards to have their lay members appointed by such constituencies as students, academic personnel and alumni, as well as by the provincial government. At present, the campaign for similar representation on the part of the institution's administrative, technical and clerical staffs has not enjoyed comparable success.

### 3.1.2 Governing boards in the United States

Progress toward greater democratization of governing boards has differed among the public and private institutions of higher education in the United States. Private colleges and universities, which have always acknowledged the importance of the continuing financial support of their alumni, have been attentive to student demands for an increased voice in institutional policy-making. The response most widely adopted for representation of the student viewpoint, however, has been to reserve positions on the board for recent graduates of the institution. There has been much less favourable response toward allowing current students to serve on the boards of private institutions and virtually no move toward allowing board membership from the institution's academic staff nor the administrative, technical or clerical staff. Students in public colleges and universities have been even more successful, using political pressure and appeals to democratic social goals to convince state governments to add student representatives on the governing boards of state institutions and state systems of higher education.

In addition to pressures for democratization of governing boards in the sense of greater participation of constituencies internal to the university, there has also been growing pressure exerted on both public and private institutions for increased democratization in the wider sense of including previously under-represented segments of

the general society. Governing boards have been prodded to increase their representation of females, blue-collar workers and ethnic minorities to better reflect the general society in which the college or university operates. The 1970s have witnessed an evolution in the composition of governing boards as a result of these various pressures for democratization, particularly in the increased presence of young alumni, women and ethnic minorities as board members - although the boards of private institutions have not kept pace with their public counterparts in this respect. There has been considerably less tendency to add board members drawn from the working classes and from the institution's own academic staff, and there has been virtually no governing board representation of the institution's administrative, technical, or clerical staff.

### 3.2 The President and the Executive Staff

If the externally-selected, lay governing board represents the most important difference between North American and European higher education vis-à-vis institutional relationships with the state, the position of the college or university president undoubtedly represents the most fundamental difference with respect to internal institutional structure. Because governing boards are composed of individuals external to the university community (i.e. nonacademicians pursuing other full-time careers), the board's responsibility for complete fiscal and operating control of the college or university can be assured only by means of an agent competent to oversee the day-to-day operations of the institution. This agent is the college or university president - in the United States also called the chancellor, and in Canada also called the principal, rector, or vice-chancellor. The governing board generally appoints the president to serve for an indefinite term of office and he is responsible solely to the board for his actions. As the college or university's chief executive officer, the president is delegated final authority by the governing board for a wide spectrum of decisions.

It is the individual decision-making power of the college or university president that most clearly distinguishes this executive from his European counterparts. In theory, no decision made by a committee, faculty, senate or any other deliberative body has legal status other than that of a recommendation to the president. In many institutions, moreover, there exists no mechanism by which an unfavourable decision of a president can be appealed to the governing board. In reality, however, presidential powers are generally much more circumscribed than indicated above; such restrictions on presidential power will be discussed shortly.

#### 3.2.1 Role of the president

The position of president is complex: he is the chief executive officer of the institution and is also its principal symbol and proponent to the external community.

The president is also the intermediary between the governing board and the university community - not only communicating to the institution the board's directives and overseeing their implementation but also serving as the spokesman of the academic staff and advocating their position before the board. Because college and university presidents have commonly been selected for such administrative responsibilities only after long and exemplary academic careers, they generally share the educational goals and institutional priorities espoused by the academic staff and effectively champion these causes before the governing board. As financial resources become less abundant, however, the president is increasingly forced to defend before the university community the governing board's legal obligation to ensure the fiscal soundness and financial viability of the institution, even to the possible detriment of its academic aspirations.

These multiple roles and responsibilities of the university president prompted Duff and Berdahl to remark, "The present system seems to depend to an excessive degree for its successful function on the superhuman talents of the president ... There are probably few other offices in public or private life that place higher demands on their occupants".<sup>7</sup> The Report then points out that the immense responsibilities of the president force him to appoint a cadre of vice presidents to whom are delegated so extensive a set of duties that they, too, become full-time administrative officers of the institution. In response to these criticisms of such considerable authority and responsibility exerted over a prolonged period of time, the colleges and universities of Canada have moved to abolish the practice of appointing executive-level officers to indefinite terms of service. Thus, in a spirit of democratization of executive authority, virtually all appointments of presidents, as well as other decision-making officers, are now made for fixed periods of service - most often five to seven years - with limited renewal possibilities.

### 3.2.2 Power of the president

Although no such limitation on presidential tenure is imminent in the United States, it cannot be denied that the power of this officer has greatly eroded over the course of the decade. Authority has been lost from below as the proliferating specialization of academic disciplines limits the president's capabilities as an educational leader, and as the expanding political power of departments, faculties and, increasingly, unions frustrates presidential efforts to redirect academic programmes and reallocate institutional resources. Power has simultaneously been abrogated from above as emerging state systems create new superior administrative levels to which the presidents of state institutions must report and as financial influence is wielded by alumni and other funding sources to force presidential action in private institutions.

That is not to say, however, that such an erosion of presidential power has been uniformly experienced throughout all institutions of higher education. In two-year colleges, central administrative authority remains extremely high (more characteristic of organizational relationships in secondary schools than in the universities). As one moves from small four-year colleges, through the larger colleges and universities, to the most complex research-oriented universities, presidential influence becomes more diffuse and more constrained by the political power of the academic staff, exerted through their departments, faculties and research centres.<sup>8</sup> It is precisely the presidents of the largest and most prestigious universities that have reported the greatest erosion of traditional authority over institutional affairs - to the extent that some have characterized their present responsibilities as merely ceremonial functions and symbolic activities, with severely limited opportunities to exercise genuine leadership.<sup>9</sup>

Because presidential authority is personally-exercised power, the influence of this officer also depends on the individual occupying the position. As observed in Europe, even in the absence of de jure personal power, an institutional rector, vice-chancellor or president can exert substantial direction and control if he possesses the requisite leadership abilities and political skills. The effects of personal managerial style are similarly influential in the United States. Even the most severely constrained president, if possessed of a sufficiently persuasive and compelling personality, may utilize the prestige of his office and the legal authority of his position to exercise a degree of personal control unrivalled by the institutional officers of any other countries in the OECD survey.

### 3.2.3 Other executive officers

As mentioned above, the wide-ranging responsibilities of the president have caused this institutional head to delegate much of his decision authority to other executive officers (titled vice presidents at the larger universities and directors at the smaller colleges). These officers are appointed by the governing board, upon recommendation of the president, for indefinite terms of service in the United States and fixed terms in Canada. They report directly to the president and are delegated substantial individual decision-making authority over their domains of institutional operations. Unlike the president, who has generally served a long academic career, the vice presidents may not share such an academic background; this is particularly true of executive officers overseeing institutional financial and business affairs, public and governmental relations and fund-raising.

The vice president for academic affairs, or provost, is the chief academic officer of the institution and generally oversees both personnel matters for the academic staff and the allocation of instructional resources to the

faculties. In these domains of academic personnel policy and instructional resource allocation the provost possesses personal authority and responsibility (as delegated by the president and approved by the governing board) equivalent to that exercised by the academic senates of European institutions. Although the decisions of this officer are most often based upon close consultation with the faculties and numerous special committees representing the academic staff (and are often subject to appeal to the president), the investiture of such authority in a single individual renders these aspects of the academic decision-making process speedier, less political and more consistent in policy than is often the case in Europe. The personal accountability for final decisions characteristic of this system contrasts markedly with the reduction in individual responsibility operationally observed in the senates of Europe.

The authority and responsibilities of the executive officer overseeing the institution's central administration will be discussed in a later section. In addition to these two officers, colleges and universities commonly have many of the following vice presidents or directors:

- a. Vice president for research: This officer oversees the institution's programmes of sponsored research, including the formulation of research policies, the co-ordination of research efforts and the administration of research grants and contracts.
- b. Vice president for student affairs: This officer oversees all facets of noncurricular student life at the institution, including operation of the residence halls and food services, recreational programmes, health services and personal and career counselling.
- c. Vice president for development: This officer oversees the fund-raising activities of the institution, playing a central role in private colleges and universities.
- d. Vice president for public relations and alumni affairs: This officer oversees university relations with all external constituencies, including governmental agencies at all levels, alumni and local community interests.

In addition to such a cadre of approximately co-equal executive officers, many Canadian universities have established the position of executive vice president (or executive vice rector). This officer may or may not have delegated authority over the other vice presidents or vice rectors, but in any case is charged with the overall co-ordination of their activities. He often serves as the principal administration representative to the governing board, as well as before other official university councils and committees and is commonly the university's chief liaison with governmental agencies.

### 3.3 The Academic Staff

In direct contrast to the situation in Europe, where universities at first arose at locations in which concentrations of scholars had attracted a large following, the early colleges of North America were formed by nonacademic groups who first obtained a college charter and then searched for instructional personnel and students. In these early institutions, the governing board and the college president functioned as a relatively permanent presence overseeing a small group of tutors and instructors only transitorily affiliated with the college. It was only as these institutions matured that the academic staff became more closely affiliated with the college, more scholarly in their outlook and more professional in their conduct. The governing boards and presidents, under such conditions, gradually conceded to their eminent scholars an increased voice in determining the institution's academic policies and programmes. Because this transfer of power to the academic staff reflected the growing professionalism and stature of academic personnel in their respective fields of study, however, the department and faculty thus became the base from which the academic staff was able to exert its primary authority and influence.

Such an evolution of academic authority, so vividly contrasting with that in Europe, has had a profound influence on the processes of university governance in North America. Although perhaps an overly simplistic view of this phenomenon, one can state that the early European universities were established under the premise that the academic staff were the university. Continuing the earlier tradition of the monastery and the guild, in which authority was considered to derive from consent of the governed, in these universities the collective voice of the academic staff (as expressed through academic senates or councils) constituted the ultimate authority for internal decisions. The early colleges and universities of North America, by contrast, were established as private or public corporations that engaged academic staff solely in the capacity of ordinary employees, endowed with no decision-making authority other than that eventually delegated to them explicitly by the president or governing board. This concept of professor qua employee continues even today to have a pervasive influence on institutional governance structures and processes, as discussed in the following sections.

#### 3.3.1 Academic senates in the United States

Most colleges and universities in the United States possess some formal mechanism for expressing the collective voice of the academic staff. In many institutions these mechanisms are in virtual disuse; in the majority they can be characterized only as weak and ineffective.<sup>10</sup> In earlier years, the few existing academic senates were bodies comprising the entire academic staff, meeting as an assembly (sometimes called a town meeting) usually only once a year. The town meeting style of academic senate still exists in

many colleges and universities; their cumbersome size and infrequent meetings generally prevent such bodies from exerting any appreciable influence on major academic policy-making in the institution. Smaller academic senates are becoming more common, with compositions based on proportional representation from their constituencies. Surprisingly, academic senates at a majority of higher education institutions in the United States no longer represent exclusively the academic staff. Over 60 per cent of the academic senates in a recent survey included administrative representation, nearly half had student representation and almost a third included representatives of the administrative, technical and clerical staff.<sup>11</sup>

No matter what the senate's composition, however, the complete governing authority invested in the institution's board and, through the board, in the president effectively limits the decision-making power of the academic senate to solely those matters specifically relegated to it by the board or the president. The extent to which this differentiates the role of the academic senate in the United States from that of its counterparts in Europe is most clearly documented by a survey of college and university presidents in which the most frequently cited role of their academic senates in institutional governance was "advisory", and the second most frequently cited role was "no responsibility at all". Rather than being a legitimate mechanism for policy formulation by the institution's academic staff, academic senates were characterized by these presidents as serving the principal function of offering "the possibility of access" to the institution's decision-making processes.<sup>12</sup> The exceptions to this general situation of weak academic senates in the United States occur primarily at the more prestigious colleges and universities, the pre-eminence of whose academic staff has been reflected through a long tradition of academic senate influence on policy-making.

### 3.3.2 Academic senates in Canada

The role of academic senates in the universities of Canada (known by such titles as "Conseil des études" or "Assemblée universitaire" in French-language institutions) is not quite as bleak. Dating from the University of Toronto Act of 1906, a two-tier system of university governance has been widely established in which the academic senate is subordinate to the corporate governing board of the institution but is delegated responsibility for decisions concerning the institution's academic programmes. Thus, the senates under this system are permitted relatively free rein by the governing board in determining academic policies with respect to admissions requirements, courses of study, examinations and the awarding of degrees. The university president has provided the vital communication link between these two bodies in his capacity as a voting member of the governing board and chairman of the academic senate.<sup>13</sup>

Nonetheless, the Duff/Berdahl Report of 1966 characterized existing academic senates as ineffective: hobbled by excessive size, often dominated by administrative officers and poorly representing the viewpoints of the institution's academic staff.<sup>14</sup> In fact, in contrast to the senates of both the United States and Europe, these bodies contained a very substantial proportion of membership from outside the academic staff, including a large number of administrative officers, alumni, representatives of the community and of professional associations and governmental appointees. The reforms of the last decade have tended to increase the effectiveness of such senates by reducing their size and increasing their representation from the academic staff; more importantly, these reforms have opened communications between the senate and the governing board. Thus, most senates are now empowered to elect members to the governing board, and are able to bring matters directly to the attention of the board without going through the intermediary of the president. The senates themselves have been further democratized by admitting student representatives as voting members.

The sole exception to this pattern of a two-tiered governance structure, until recently, was Université Laval - with its unicameral Conseil de l'Université performing the functions of both the governing board and the senate of other institutions. (It should be noted, however, that Laval has now established a Commission des études that plays an active role in the decision-making process, although the Conseil de l'Université retains its formal decision-making authority.) In the intense period of reform following the Duff/Berdahl Report, there was active discussion in many universities toward adopting a unicameral system of governance, but the University of Toronto has been the only university to take this major step through the formation of its Governing Council. It is interesting to note, however, that in spite of the great emphasis on democratization of university governance in the last decade, the administrative, technical and clerical staff has been denied formal representation on all of these decision-making bodies except for the unicameral councils of Laval and Toronto and the senate (assemblée universitaire) of the Université de Montréal.

### 3.3.3 Faculties and academic departments

Regardless of the role played by an institution's academic senate, there has developed a strong tradition in North American colleges and universities for the governing board and president to defer to the expertise of the academic staff in such matters as curriculum design, degree requirements, student relations and, to a significant extent, the hiring of instructional personnel. A distinguishing characteristic of North American higher education, however, is the dominant role played by the faculties and departments, as opposed to the academic senate, in such policy-making.

The strongest base for academic staff influence in institutional decision-making is the department. Not only do members of the academic staff possess specialized expertise in their subject area that uniquely qualifies them to assess the department's instructional resource requirements, but the department also constitutes the level at which such academic personnel are most effectively organized to exercise collective power.<sup>15</sup> Thus, departments have become the key organizational unit for institutional decision-making with regard to instructional objectives, course structure and content and the need for, and qualifications of, instructional staff.<sup>16</sup> Concomitantly, as academic personnel have increased their influence within the university (as well as their professional reputations among external colleagues) by virtue of their departmental affiliations and loyalties, so to that extent have they lost interest in academic policy formulation at the university-wide level. This has led to the paradox of a continuing weakness among academic senates, stemming from a lack of active participation, even as institutional power shifts from the president to the academic staff. The benefactors of such a shift in power, almost by default, have been the departments and, as will be discussed shortly, the academic unions.

Generally, each department is headed by a department chairman or department head. The incumbent of this position may be chosen by his departmental colleagues for a short term of service, in which case he is usually viewed as possessing only that limited kind of authority accruing to one elected to perform administrative duties of a "house-keeping" nature; that is, he remains primus inter pares. Or the department chairman may be appointed by the dean of the faculty to serve for an indefinite term of service (or for a prolonged, fixed term), in which case he is quite often considered a member of the university administration to whom other members of the department are explicitly subordinate. The distinction between these two methods of departmental management becomes especially significant in the face of collective bargaining agreements demanding a clear demarcation between management and labour in the university context.

Although the locus of academic decision-making in North American colleges and universities may reside principally in the departments, it is through the faculty and its dean that such decisions are transmitted to the institution's executive officers. The dean of each faculty is appointed by the president, reporting to him through the vice president for academic affairs. Traditionally, the deans are delegated substantial authority from the president for the fiscal and personnel management of their faculties and have generally exerted personal power over a wide range of decisions internal to the faculties. There is a close analogy between the dean's relationship to his faculty and the president's relationship to the institution: just as

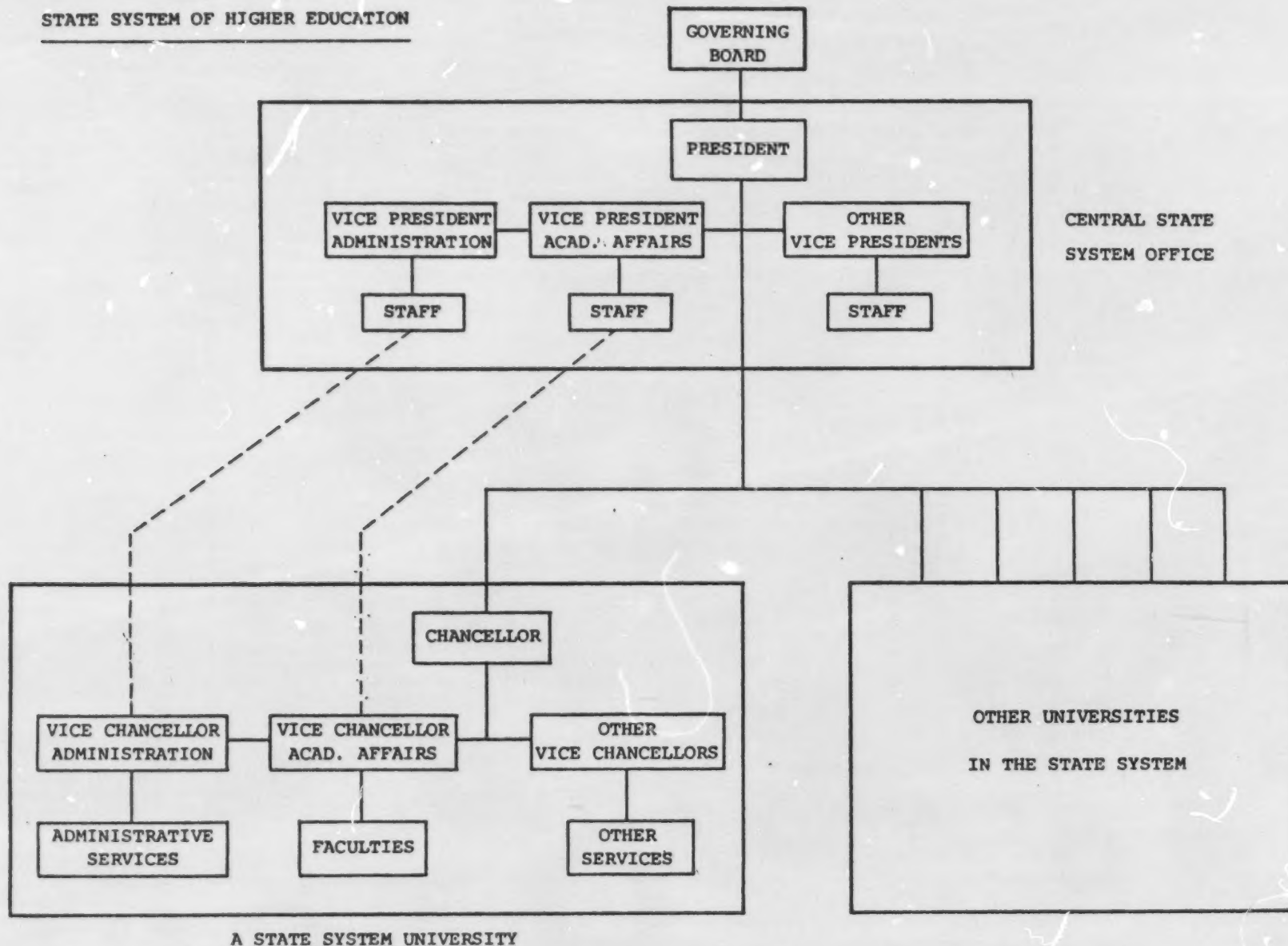
the president is the intermediary between the governing board and the institution, the dean is the intermediary between the institution's executive staff and his faculty. Although the dean is an agent of the executive staff, he is also the chief executive officer of the faculty, representing and advocating the faculty's position before the vice president for academic affairs and the president. As in the case of the president, deans generally achieve their positions only after distinguished careers as professors in one of the disciplines of the faculty; thus, they closely share the values and aspirations of the academic staff and usually serve as vigorous advocates of this constituency.

In recent years the role of dean has undergone an evolution at many institutions, the direction of this evolution varying markedly according to local circumstances. At one extreme, the existence of active and aggressive academic unions has led to a significant erosion in the authority of the dean. In many of the universities of Quebec, for example, the dean has lost a great deal of effectiveness as he has found himself caught between the powerful voice of union-controlled departments and the unyielding directives of the central administration (which seeks to re-emphasize its authority in the face of union-instigated challenges). At the other extreme, particularly in the major research universities of the United States, the deans (together with directors of the institution's major research programmes) have become sufficiently powerful to successfully challenge and substantially limit the prerogatives of the president in the management of basic institutional affairs.

### 3.4 State Systems of Higher Education

The chart on the following page illustrates how the organizational structure described above becomes modified in a state system of higher education. In this environment, the president of a college or university (customarily retitled the chancellor) becomes the executive head of a decentralized unit within the system in the same manner as the deans are the executive heads of their decentralized units within the institution. Such state systems generally have a single governing board for the entire system, with a president of the system acting as the principal agent of the governing board and chief executive officer of the state system. The central system office encompasses a complete executive staff of president, vice presidents and administrative staff; generally, its structure is then replicated at each institution, with a chancellor, vice chancellors and their administrative staffs. The chancellors of the system's institutions remain accountable to the governing board, but now through the intermediary of the system president. The institutional vice chancellors report to the chancellor as their immediate superior, but also receive directives from the corresponding vice presidents in the system offices. Such a relegation of the college or university president to the effective position of a middle manager in the state

ORGANIZATION OF A TYPICAL  
STATE SYSTEM OF HIGHER EDUCATION



system substantially alters the role played by this institutional officer and is perhaps the most significant factor in the decreasing influence and plummeting morale of such executives.

### 3.5 Unions

Another aspect of North American higher education contrasting sharply with the situation reported in Europe is the role played by unions. Until relatively recently, the only unionized personnel in the academic community were labourers and clerical workers performing tasks similar to those performed in commercial or industrial enterprises. Thus, personnel hired to maintain the institution's physical plant, to work in the residence halls or food services, or to perform custodial or logistical services are commonly represented by the corresponding industrial labour union. Also, many of the administrative, technical and clerical employees in public colleges and universities are civil servants of the state and may belong to a union representing the state civil service personnel.

In Canada, it has been less than 50 years since the idea of formalized academic staff organisations for the improvement of employment conditions gained widespread acceptance; under the auspices of the Canadian Association of University Teachers (CAUT), the early 1950s witnessed the formation of a large number of locally-based, voluntary staff associations in the universities of Canada. Although these local associations of academic personnel have continuously espoused the concerns and demands characteristic of a labour union, until recently they had avoided the formality of collective bargaining procedures.<sup>17</sup> As the financial prospects for higher education deteriorated in the 1970s, however, an increasing number of these staff associations applied to be certified as collective bargaining agents, adopting the strident militancy, the formalistic rhetoric and uncompromising adversarial outlook characteristic of traditional labour unions.<sup>18</sup> Actual collective bargaining was first initiated at several French-language universities and has since spread to a great number of Canadian institutions. Now that virtually every college and university in Canada has either a formally-recognized collective bargaining agent or an active voluntary staff association, the influence of such organizations in university governance processes resembles in many respects the situation reported at European universities.

Mirroring the contemporaneous developments in Canada, it was not until the late 1960s that academic personnel at colleges and universities in the United States began to engage in collective bargaining. The preliminary activity in this field occurred at two-year colleges, whose institutional structure often closely resembles that of secondary schools (in which unions have long played an active role). Subsequently, academic personnel in an increasing number of four-year colleges and universities began formal organising activities. At present, however, there are only a limited

number of institutions in the United States in which the academic staff has voted to unionize; among the 2,000 four-year colleges and universities, only about 250 have their academic staff represented by a union.<sup>19</sup> Current experience indicates that the more prestigious and research-oriented a university, the less likely the academic staff will vote to accept union representation. It must be noted, however, that at present a large number of states do not permit the academic staff at public colleges and universities to form unions. As an increasing number of states pass the enabling legislation allowing such activities, a corresponding increase is expected in union representation for the academic staff of these institutions.

Because the advent of formalized collective bargaining for academic staff is so recent, its effects on university management in the United States are still largely speculative. Studies of the evolving managerial structure in institutions with unionized academic staffs (as well as extrapolations from the Canadian experience) suggest the following tendencies:<sup>20</sup>

- a. The administrative staff of the institution usually undergoes modification in response to the demands of collective bargaining negotiations, with more influence accruing to lawyers, legal advisors, labour relations specialists and information systems analysts. In addition, more resources (and greater sophistication) must often be devoted to the centralized personnel activities of the institution.
- b. Union negotiations tend to push decision-making outside of the institution. This occurs both because courts and arbitrators are called upon to render judgements in disputes that ordinarily would be subject to institutional processes of decision-making and because unionized staff in public institutions recognize that the ultimate power to respond to their demands resides in the funding authority of centralized state system offices or of state and provincial ministries.
- c. Depending on whether or not department chairmen are included as part of the academic staff bargaining unit, departmental governance processes can be severely disrupted. As noted previously, the authority of the faculty's dean may also be significantly eroded as the unionized departments carry their demands directly to the institution's executive officers.
- d. As unions gain strength and enlarge their sphere of interest, they are likely to seek influence in areas traditionally the domain of the academic senate or of standing academic committees. In such an event, these institutional mechanisms for academic staff participation in policy formulation are likely to lose their effectiveness.

### 3.6 Students

#### 3.6.1 Educational costs

From the student's viewpoint, perhaps the major difference between North American and European higher education is the financial burden that is imposed on students in North American institutions by way of tuition and other educational expenses. And in the United States, nowhere is the difference between private and public higher education more striking than in a comparison of their costs to the student. The cost of tuition (that is, the payment made to attend classes) at the more highly selective private colleges and universities in the United States, for the academic year 1979-80, exceeds \$5,000 per year. Adding the cost for room and board in a university residence hall, the cost of books and other educational supplies and travel costs to the institution, the annual cost of attending a private college or university can be as high as \$8,000 per year; the average total cost for a residential student at a private college or university this year in the United States is \$5,700, almost \$3,000 of which represents the average cost of tuition. By contrast, a residential student at a state college or university will pay an average cost this year of \$3,500; of this sum, the average cost for tuition amounts to less than \$700 per year.<sup>21</sup> The costs for attendance at a Canadian college or university are comparable to those of the public institutions of the United States.

Educational expenditures of this magnitude can represent a difficult burden even for families with moderate incomes, especially if they have several children attending college at the same time. For this reason, virtually all institutions of higher education engage in large and active programmes of financial aid to students, dependent to a large measure on student aid funds provided by governmental ministries. In Canada, the provincial governments provide funds for scholarships and bursaries, while the federal government sponsors a programme of student loans. In the United States, the federal government supplies the preponderance of financial aid funds to higher education, in the form of grants, guaranteed loans and subsidized student wages. This critical role in providing the financial aid necessary to maintain student enrolments, however, has enabled the federal government to exert an influence over institutional policies and operations far in excess of its otherwise limited statutory authority.

The substantial costs of attending North American colleges and universities have undoubtedly been an important factor in deterring students from excessively prolonging their university studies. The resulting shorter, more intense period of study (together with effective mechanisms for dismissing students who fail to make acceptable progress toward their degrees) leaves students with less time to devote to institutional affairs and has served to inhibit an on-going tradition of student activism comparable to that commonly observed in Europe.

### 3.6.2 Student activism

A notable exception to the customary North American student apathy towards university governance structures and decision-making processes occurred during the period 1967-70 in both the United States and Canada. To many observers, the outbreak of this period of protest and its intensity are less baffling than its abrupt disappearance; the question germane to this paper, however, is whether there remains a legacy from this era of turmoil that affects current university management practices.

The extent of student agitation and violence during this period varied markedly - as did the scope of institutional response - among different types of educational institutions and different geographical locations. Many colleges and universities experienced no problems at all and emerged from this turbulent period with their institutional structures and decision-making procedures intact. Other institutions, particularly the larger, more prestigious universities, initiated major changes in structure and procedures in response to student demands for more democratic decision processes. Of particular interest are institutional concessions regarding student involvement in policy formulation and decision-making.

The now common participation of students on the governing boards and academic senates of Canadian institutions has already been noted. Students have also been included in less global decision-making processes through representation on departmental, faculty and university committees at most institutions. The welcome accorded students on governing boards and academic senates in the United States has been far more reserved, but student presence on departmental, faculty and university committees is now quite common. A further response by many colleges and universities in the United States to student demands for the democratization of decision-making was the creation of new policy-deliberating bodies with representation from all major institutional constituencies. These bodies, often called campus senates (or university senates or broad-based senates) included membership from the student body, the academic staff, the executive staff and, occasionally, the administrative, technical and clerical staff. In the university's structure they were placed above the academic senate and the student representative body and were designed to reflect and reconcile the different viewpoints of these constituency-controlled bodies.

This broad-based concept of institutional governance has been a notable failure. Studies of the phenomenon reveal that institutional presidents rarely accorded these bodies the decision-making authority implied in their creation, that such bodies were not adequately constituted to effectively analyze and resolve the complex, sensitive issues brought before them and that both students and academic staff found that the time and effort required for the effective functioning of such a body was too demanding.<sup>22</sup>

As student interest in university governance, and student participation in committee deliberations, declined in the latter 1970s, the majority of campus senates ceased operation. The principal legacy of this period, then, is a vastly increased opportunity for student participation in a variety of academic and administrative committees. However, as the tendency toward academic unionization increasingly formalizes academic/administrative relations in all areas of institutional operations, the hard won voice of students in decision-making deliberations threatens to be considerably diminished.

#### 4. ADMINISTRATIVE STRUCTURE AND PROCESS

Administrative services in North American colleges and universities cover the entire gamut of activities familiar to administrators of European universities:<sup>25</sup>

- a. Student services, including student recruitment and admissions, payment of tuition and fees, maintenance of records, resolution of delinquency and discipline problems, counselling and advising, administration of financial aid and assistance in job placement. Other student services requiring administrative oversight commonly include the provision of housing, food services, physical and mental health facilities and interface with the student government.
- b. Maintenance and operation of the physical plant, including oversight of the planning, design, construction and financing of additions to capital plant and the maintenance and upkeep of existing buildings and surface areas of the institution. Also included are the increasingly important managerial responsibilities for evaluation and reallocation of existing building space among various academic and service units of the university.
- c. General administrative and business services, including accounting, budgeting, personnel administration, procurement, contract and grant administration, law enforcement and safety and public relations. Also included are fund-raising and investment management activities unique on a large scale to higher education institutions in the United States.

##### 4.1 Administrative Structure

Depending upon the size of the institution, the president will appoint one or more executive officers to oversee the institution's administrative services. Even at quite small institutions, there is commonly a director or vice-president for student services and a director or vice-president supervising budget preparation and the business office. Large universities may have additional vice-presidents for development (fund-raising), for public relations, for management services (computer systems), or for planning. Each of these executive officers is appointed by the governing board upon

recommendation of the president, for an indefinite term of service. Unlike the president and vice president for academic affairs (or provost), the officers for administration often have had no academic staff experience; rather, they may have spent a career in university administrative services, or may have come to the university from private business and finance. In the latter case, it should be noted, accepting a top-level administrative services position at a college or university usually entails a financial sacrifice, for administrative salaries in higher education are commonly only a fraction (often less than half) of prevailing wages for positions of comparable authority and responsibility in private enterprise.<sup>24</sup>

The chart on the following page illustrates a typical organizational structure for the administrative services of a medium-sized college or university. The chief administrative officer is the vice president (or vice chancellor or director) for administration or for finance and business affairs. In some small private colleges, this chief officer may also be a member of the governing board and Treasurer of the corporation - a circumstance that appreciably complicates the subordinate/superior relationship between him and the president.<sup>25</sup> Although there is extreme variation throughout North America in the administrative structure under the chief administrative officer, the organization chart shows a common division of administrative functions.

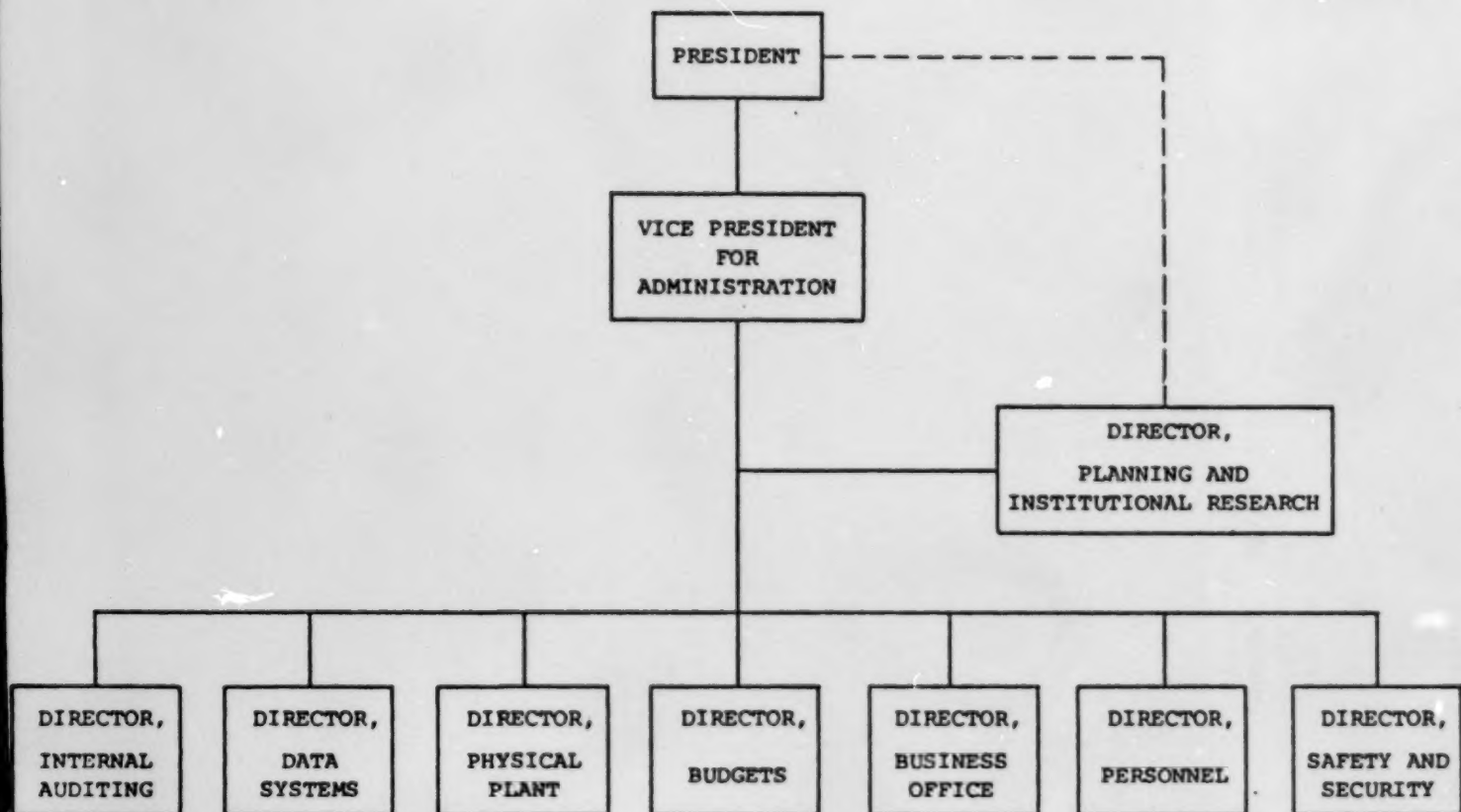
Just as the president and the provost exercise, in regard to academic matters, decision-making powers reserved in Europe to senates and academic councils, so do the president and vice president for administration exercise, in terms of administrative policies, the decision-making power reserved in Europe to the senates and administrative councils. Thus, administrative decision-making in North American institutions, if not better informed, is undoubtedly quicker and more uniform in policy than is the case under the European system. Such increased speed, and resulting flexibility, in administrative decision-making is especially crucial in private colleges and universities, where sudden and unexpected changes in income flows may require instantaneous administrative responses to maintain budgetary equilibrium.

#### 4.2 Standardization of Procedures

This paper opened with the observation that although the colleges and universities of North America display an enormous diversity of form, many aspects of their managerial practices exhibit a homogeneity more characteristic of a highly centralized European educational system. Even more striking is the fact that this homogeneity has been achieved through widespread, but independent, adoption of voluntary standards, rather than by governmental prescription. This is especially true of the various practices and procedures used in the offices of financial and business affairs of North American institutions of higher education.

TYPICAL ORGANIZATION FOR A  
UNIVERSITY'S ADMINISTRATIVE SERVICES

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The remarkable standardization of institutional business practices today can be attributed to the appearance of several extremely influential publications in the field. In 1935, the publication Financial Reports for Colleges and Universities suggested a set of standard guidelines for university accounting and reporting. Following the success of that guide, the need was recognized for a publication of similar authority that would be broader in scope, encompassing all other areas of business and financial administration for higher education. After 18 years of discussion and preparation, the two-volume publication College and University Business Administration was made available, covering not only the principles of financial accounting and reporting but also the other aspects of college and university administrative management necessary to the successful functioning of the enterprise. This work was revised into a single-volume publication in 1968, and revised again to its present form in 1974. Written under the guidance of professional associations having direct experience and authority in each administrative area, discussed and evaluated at workshops and national meetings of business officers and other experts, and updated by organizations of certified public accountants, this sourcebook is the recognized authority in all phases of college and university business practices and virtually all educational institutions in the United States have closely complied with its guidelines.<sup>26</sup> Thus, administrative and financial practices in the fields of business management, fiscal management and financial accounting and reporting remain relatively standardized from the smallest private colleges to the largest public research universities (although universities may perform a large number of administrative functions not applicable at small colleges).

#### 4.3 Professional Associations

A second aspect of North American higher education that has worked to establish standards for administrative practices is the role played by professional organizations of administrative personnel. It is common practice in higher education throughout the world for academic personnel to form scholarly associations within their disciplines, with the goal of furthering personal contacts and sharing current research findings; yet, there is no indication in the European Area Reports that a similar practice exists for administrative personnel below executive officer status. In North America, by contrast, such professional associations are extremely active at all administrative levels and perform an important function in encouraging the improvement of administrative practices across all institutions of higher education. The manual College and University Business Administration, for example, is now produced under the direction of the National Association for College and University Business Officers (NACUBO), a voluntary professional association tracing its antecedents to near the turn of the century. Virtually every administrative officer of a college or university, from the head of a state system of higher education to an accountant in a college business office, has

his or her interests represented by at least one professional association such as the following:

- American Association of Collegiate Registrars and Admissions Officers
- Association of Governing Boards of Universities and Colleges
- Association for Institutional Research
- Association of Physical Plant Administrators of Universities and Colleges
- National Association of College Admissions Officers
- National Association of College and University Attorneys
- State Higher Education Executive Officers Association.

In addition to these professional associations that focus upon relatively specific administrative functions, there are also professional associations representing the interests of administrative personnel at large, such as the American Association of University Administrators and the Academic Affairs Administrators section of the College and University Personnel Association.

Each of these professional associations sponsors an annual national meeting at which major topics of interest may be discussed and debated, often under the leadership of senior-level administrators or of representatives from governmental agencies whose regulations may be the topic of concern. Moreover, most such associations also encourage the formation of regional chapters or affiliates, which sponsor a variety of conferences and workshops for administrative personnel in their geographical region. The existence of professional associations of this type constitutes a powerful mechanism for consensus building among higher education administrators, both in terms of standardizing internal administrative processes and in formulating collective positions with regard to externally-imposed rules and regulations in various administrative areas. For this reason, in addition to their sponsorship of conferences and their provision of professional services to members, these professional associations also act as spokesmen for their professions before external constituencies. For example, the association representing administrators of student financial aid has vigorously advocated the position of its members before governmental committees and agencies engaged in developing new legislation for student aid programmes. Because they provide genuinely useful services to their members in terms of publications and workshops, and also because their national conferences provide welcome opportunities for members to travel and make valuable personal contacts, these professional associations of administrative personnel enjoy very wide membership and, hence, have played a central role in standardizing procedures, disseminating new methodologies and promoting the continued effectiveness of college and university administrative practices in North America.

#### 4.4 Budgetary Processes

Despite the widespread standardization of administrative procedures just described, the budget-building process itself reflects all the diversity of the colleges and universities in North America. The budget is most commonly constructed through the co-ordination of the director of budgets, under authority delegated by the chief administrative officer of the institution. Depending on the managerial philosophies of the president and chief administrative officer, this process may be principally a "bottom up" aggregation of budget proposals, or a "top down" prescription of operating resources. Except as may occur in some instances when the chief administrative officer is also Treasurer of the college corporation, it is the president's responsibility to approve the final budget proposal and present and justify it before the institution's governing board. In private colleges and universities, the governing board has total responsibility for analyzing and giving final approval to the proposed budget, which then becomes the actual operating budget. In the public colleges and universities of the United States, such determinative action by the governing board is not possible because operating funds for the instructional programmes come ultimately from the state legislature.

The specific route by which the proposed budgets for public colleges and universities make their way from the institution to the legislature, and by which the legislature's appropriation (and hence approved operating budget) becomes known to the institution, varies markedly from state to state. At one extreme is an entirely autonomous procedure in which each institution (after approval by its governing board) presents its own budget proposal independently to the state governor, based on whose recommendation the legislature subsequently enacts separate appropriations for each institution. At the other extreme is a ponderously bureaucratic procedure under which an institution belonging to a state system of higher education submits its budget proposal to the central system office, which modifies and combines all such submissions to produce a single, aggregated budget request for the entire system. This budget request may then be forwarded to the statewide co-ordinating council, which may modify and combine it with budget requests submitted by other segments of higher education, to produce a unified higher education budget request for consideration by the governor and legislature. Under this bureaucratic model, the legislature might then enact a single appropriation (usually less than the amount requested) for all state-supported higher education and convey this lump-sum appropriation to the state co-ordinating council for distribution. The state system of higher education would then receive some share of this overall appropriation as a lump-sum entitlement to allocate among the institutions making up the system. As might be expected, the specific state appropriation finally made known to the individual institutions - together with whatever detailed budgetary restrictions and other general budget notes that might be attached - will seldom bear any

resemblance to the initial budget requests. Under such circumstances, it often requires greater managerial skill to determine an equitable internal allocation of the funds ultimately appropriated than it did to co-ordinate, assemble and justify the original budget request - submitted as much as two years earlier. Most public institutions in the United States follow budgeting processes situated somewhere between the two extremes cited above; the bureaucratic model, however, is uncomfortably close to reality for a large number of institutions within state systems of higher education.

In Canada, as is the case for public four-year colleges and universities in the United States, the procedures for budgetary approval and for the allocation of appropriated funds vary among the provinces. As already noted, several provinces have adopted the model of the University Grants Committee of the United Kingdom; their Universities Commissions or Councils are responsible for allocating to the individual institutions the higher education funds provided by the provincial government. Other provinces have advisory boards with consultative powers only; in such cases the ministry may deal directly with the individual institutions with regard to the disbursement of operating monies. Again as is the case in the United States, the total funds appropriated to higher education tend to be formula-driven, most often based upon per-student costs at various educational levels.

The time element alluded to in the discussion of budget procedures in the United States imposes its own managerial complexities on the budgeting process. For a state institution submitting budget requests on an annual cycle, senior administrators may be required to monitor simultaneously the progress of, and relationships among, up to four fiscal years' budgets:<sup>27</sup>

- a. The most recently completed fiscal year's budget, as a fully known expenditure base for future projections.
- b. The present fiscal year budget, for control and management of current operations and as a base for construction of the following fiscal year's budget.
- c. The following fiscal year's budget as it is being prepared, assembled, analyzed and, ultimately, justified.
- d. Observed fiscal trends and early economic indicators that will influence the general form of the second-following fiscal year's budget.

Standardized budget formulating guidelines, such as those developed by NACUBO, together with the implementation of increasingly sophisticated computerized budget and financial control systems have helped immeasurably to systematize such administrative procedures, allowing efficient management of even the extraordinarily complex budgeting processes of major

research universities.

#### 4.5 New Technologies

The increasing use of new administrative technologies, particularly in the field of computer applications, has been a key factor in the evolution of university management during this decade. In particular, the now widespread utilization of computerized systems in virtually all aspects of university administration has helped ensure the efficient and smooth-running management of the many campuses in the United States with 30,000 or more students. At such large universities, computerized systems are commonly used in the following areas of institutional operations.

- a. For instruction: student registration, including assigning students to courses and monitoring the classes added and dropped during the year; enrolment record-keeping, including issuing periodic lists of updated class registrations and producing a variety of enrolment reports; sorting, recording and mailing student grades; updating and printing the university-wide schedule of classes; maintaining detailed student information systems containing biographical data, transcript and payment records, residence information, etc.
- b. For research: monitoring the progress of research projects from the time of research proposal submission to the final dissemination of results and closing of the grant account; grant administration, including effort reporting, expense accounting and inventory control.
- c. For personnel management: management information systems for academic staff and for administrative, technical and clerical staff, including payroll records, employment histories and a variety of descriptive data elements used in personnel management.
- d. For development: alumni records, including updated address files for all living alumni and historical records of donations to the university.
- e. For business affairs: virtually all aspects of institutional business operations, including accounting, purchasing, financial reporting, payroll, inventory control, etc.
- f. For physical plant operations: inventory control, work scheduling and (under current development) sophisticated systems for monitoring and controlling heat and other energy usage in the institution's buildings.
- g. For planning: mathematical models for forecasting future student enrolments and the evolving distribution of academic personnel, for analyzing the institution's budget and for portfolio management.

The development of many of these computerized management systems has been performed by non-profit organisations under sponsorship of the federal government or various philanthropic foundations; the resulting products are usually available for dissemination to colleges and universities at very small cost. Other systems, more tailored to the client institution and more costly, are produced and sold by commercial management information systems companies. Again, it is important to note the role played by professional associations in providing a forum for the demonstration and discussion of such new administrative technologies and in encouraging and facilitating their adoption and use. Finally, it must also be noted that states and other funding agencies are fully cognizant of the growing usage of management information systems in institutions of higher education, and of the ability of such systems to produce highly detailed reports on all aspects of institutional operations. Thus, in pursuit of greater accountability, these funding agencies have felt fully justified in demanding ever more voluminous and detailed institutional reports in connection with the programmes they fund.

## 5. PRINCIPAL ISSUES

The project description for the State-of-the-Art Survey cited a list of ten issues to receive particular emphasis within the study and each Area Report concluded with a discussion of these issues in light of the survey findings. The following paragraphs contrast these European findings with the present situation in North America.

### 5.1 Demand Profile

The surveyed European institutions gave a wide variety of responses to the question of managerial impacts from a changing demand profile. This diversity is in part explained by the wide variation in enrolment trends and expected future demands among the European countries. The forecasted demand profile in North America, and its probable consequences, has been a prime subject of analysis and speculation throughout this decade. Every indication has pointed to a student population that has levelled off in the late 1970s and will significantly decline in the early 1980s. The preoccupation of university executives with the consequences of this demographic pattern is illustrated by the evolving themes of higher education. Conferences in the early 1970s emphasized the efficient utilization of resources and the implementation of modern managerial practices. Starting in the mid-1970s the emphasis shifted to strategies for managing institutions in the steady state, whereas current conference themes now stress the problems of surviving through the 1980s.

This issue of the effects of a changing demand profile on institutional management serves to highlight one of the fundamental distinctions between North American and European higher education: the substantial influence of market viability and the importance of market responsiveness in the

management of higher education institutions in North America. This matter is of most critical concern, of course, to the private colleges and universities of the United States, which rely extremely heavily on student-related revenues as a direct income source. This circumstance compels the institution's executive officers to consider directly such issues as the price elasticity of demand and alternative strategies for marketing the institution and its programmes in an increasingly competitive environment. If the private sector of higher education in the United States is to be envied for its protection from many forms of governmental intrusion into its operations and management, it is also to be consoled for its vulnerability to the vagaries of student demand. Although it is true that public colleges and universities are also affected by changing student demand through their enrolment-driven funding formulas, they may be somewhat shielded from transitory enrolment changes by a sympathetic legislature; private institutions have no such recourse.

All of which has led to the rapid growth of institutional interest in the classical theories and techniques of marketing. The jargon of the marketing industry is increasingly heard in the executive offices and governing board meetings of private colleges and universities, where such concepts as "market share" and "product positioning" have become of vital concern to institutional survival. Heeding the marketing dictum that a product must be clearly differentiated to attract attention in a competitive market, many institutions are now striving to create an "image" that will give them higher visibility among prospective students.

Strangely, in the face of relatively objective demographic indications and extreme executive concern, there is little evidence that academic personnel, senates, or faculty leaders are yet aware of, or at least disturbed by, the potentially calamitous effects of the predicted decline in enrolments. Such a reluctance of academic personnel to plan seriously for a period of hardship perhaps may be partially explained by the fact that the beginnings of such a decline have not yet been generally experienced. Increasing rates of college entry from secondary schools (particularly in Canada), and increased enrolments of women in higher education have all served to obscure whatever small enrolment decline might otherwise have been observed. The dangers, however, are real: it is almost certain that a significant number of small, private colleges will be forced to close and that programmes will be cut back and academic personnel let go at a greater number of institutions. More distressing to some analysts is the possibility that in the fierce battle for the limited number of available students, ethical standards in recruiting and quality standards in instruction and student evaluation may occasionally be so badly abused that all of higher education may suffer a severe decline in public confidence and support.

## 5.2 New Legal Requirements and Restrictions

This is an issue guaranteed to elicit heated response from any university administrator in the United States, for the imposition of ever-increasing legal requirements by federal and state governments has spared no institution of higher education in the country. Fortunately, as is the case in the United Kingdom and Ireland, North American institutions of higher education have been almost completely free from legal requirements and statutes prescribing organizational structures and managerial practices for the provision of instruction per se. In fact, the private colleges and universities of the United States, by virtue of the remarkable Dartmouth College Decision of 1819, possess a degree of protection from the imposition of such statutes that has no counterpart in the other countries surveyed. However, there exists a large number of laws and regulations that do heavily affect the management of higher education institutions: those regulating the relationships between the university and the individuals with which it deals, and those affecting other aspects of institutional operations.

### 5.2.1 University obligations to individuals

In addition to the normal contractual obligations of a university to its employees and the increasing emphasis on the consumer rights of students as purchasers of higher education services, the colleges and universities of the United States have been charged with a wide variety of responsibilities based on the fundamental concept of non-discrimination. Although most fair-minded administrators will support the ultimate goals of such social legislation, the cumbersomeness of compliance procedures and the substantial expenses that institutions must bear within relatively short periods of time have taxed the managerial abilities of the most talented university administrators. The major legislative acts falling into this category within the last five years, in the United States, include the following.

- a. Legislation guaranteeing equal employment opportunities for all university positions that become open: Compliance with this legislation requires formalized procedures for advertising available positions and screening applications, as well as a formal institutional programme of affirmative action to bring the respective percentages of institutional personnel, by sex and by ethnic identification, closer to their distribution in the external society.
- b. Legislation prohibiting that admission of students to the university be based upon considerations of sex, ethnic origin or religious affiliation: Such legislation provides, moreover, that no student be denied the opportunity to participate in any institutional activity, function, or facility on the basis of sex, ethnic origin or religious affiliation.

- c. Legislation directing that no student shall be denied access to any of the university's educational programmes by virtue of a physical handicap: These requirements for provision of complete access to the university's programmes regardless of physical handicap have forced a wide-scale physical renovation of many campuses to install ramps and elevators for students confined to wheelchairs, have also required sign-language translators and increased visual aids for deaf students and readers and special testing procedures for blind students. In particular, the extensive renovation of often aged campuses required by this legislation (unaccompanied by funds for its compliance) has put severe financial pressure on many colleges and universities in a period of already tightening financial conditions.

#### 5.2.2. Other legal restrictions and statutes

A further set of federal and state legislation has affected colleges and universities of the United States - not necessarily as institutions of higher education per se but rather as large, legally constituted organisations with corresponding responsibilities to society. These regulations, echoed in the Area Reports for several countries, concern such fundamental organisational obligations as providing for the occupational safety and health of employees, assuring privacy and confidentiality of records for both employees and students and maintaining specified standards with regard to pension plans. In the United States, as in the other countries reporting a similar situation, the two principal consequences of the rapid growth in federal and state legislation has been a substantial increase in the financial burden on higher education institutions (which are forced to respond to the legislative mandates but often unable to secure additional resources to fund compliance), and an enormous increase in litigation initiated in direct consequence of such legislation. The managerial problems in locating sufficient resources to comply with these new requirements have been difficult, but not essentially different from problems caused by the lack of adequate funds in other areas of institutional operations. The increased tendency toward litigation, however, is a new factor that has drastically changed managerial processes and, to a certain extent, organisational structure. Legal advisors have become indispensable personnel on the executive staffs of colleges and universities and institutional executives have been forced to become quickly knowledgeable and sensitive to the legal ramifications of every action they take. The result has been a major escalation in the formality of institutional processes: administrative actions are now carefully documented, due process procedures are followed explicitly and even relatively informal communications are now commonly transacted in writing.

### 5.3 Public Accountability

The responses to this issue as summarized in the European Area Reports are quite interesting. On one hand, the processes of accountability are found burdensome and expensive; on the other hand, the universities welcome the opportunity to demonstrate to society their conscientious and effective performance of the missions assigned to them. In theory, the external lay governing boards of the colleges and universities of North America constitute a built-in means for continuously monitoring institutional responsiveness to the needs of society. Moreover, the private colleges and universities of the United States would appear to have a self-regulating mechanism for accountability, for these institutions are largely dependent on the tuition paid by students who choose to attend and the gifts and donations of benefactors who choose to support their programmes. It is evident, however, that the states and provinces feel a compelling need to verify institutional accountability - both in the narrow sense of the legal and appropriate use of governmental funds earmarked to specified educational purposes and in the wider sense of maintaining programme priorities consistent with society's expectations.

To this end, a variety of systems have been developed in the United States to collect, display and analyze data reflecting all aspects of institutional operations. Institutional research officers and management information analysts have joined the ranks of new administrative personnel vital to college and university management in the 1970s. Although the technology of data acquisition and manipulation for purposes of reporting is undoubtedly more advanced in North America than in most of the European countries, the lesson still needs to be learned that a large stack of computer outputs neither makes an institution more accountable nor ensures that agents of society can more effectively assess the ultimate value of an institution's many programmes.

### 5.4 Autonomy

As mentioned several times in this paper, there can be no question that the autonomy of higher education institutions in North America has been appreciably diminished during the 1970s. Nevertheless, as pointed out in the Area Report for the United Kingdom, the colleges and universities of North America (like those of the United Kingdom) continue to enjoy a degree of autonomy unmatched in continental Europe. The tendency, however, is real and unquestionable: institutional autonomy has greatly eroded in the course of the decade and seems destined to continue doing so. Rather than having their relative freedom vis-à-vis their European counterparts serve as a source of comfort, institutional executives in North America see in this comparison only a measure of how much they have to lose if present state and provincial tendencies continue. Indeed, those public colleges and universities of the United States that have adjusted to life under a strong, centralized state system already share many

of the restrictions on autonomous operation so familiar to their European brethren; the fact that they may be controlled by an intermediate organisation rather than directly by a state ministry is, managerially, a trivial distinction. It should be noted, moreover, that as private institutions in the United States accept greater financial support from federal and state governments, they are increasingly subject to political reclassification as "creatures of the state" and face an almost certain de facto loss of much of the protection conferred by the Dartmouth College Decision of 1819.

The likely future effects on university management resulting from the accelerating state and provincial co-ordination and control of higher education make for intriguing speculation. Although direct state interventions are still the exception rather than the rule, the record shows that in recent years state governmental officials have blocked the appointments of politically controversial academic personnel, state legislatures have modified administrative structures or managerial practices in public institutions through highly detailed restrictions in budget appropriations, state and provincial co-ordinating bodies have dictated institutional policy in the establishment of new academic programmes, provincial ministries have interceded directly as unionized academic staff have by-passed the traditional authority of the institution's executive officers and governing bodies and governmental agencies at all levels have effectively redirected college and university research programmes through funding inducements and restrictions on selected categories of activities.

It is interesting to note that Canadian institutions, like their counterparts in the United Kingdom, have recognized the potentially ameliorating role of voluntary inter-institutional associations to whom they have surrendered a measure of institutional autonomy in hopes of preventing an even greater loss of control to governmental ministries. Such a concept of voluntarily surrendering individual institutional authority to an association acting for (and exerting a controlling influence over) its member institutions is practised in the United States only in the case of certain educational consortia, usually formed in pursuit of joint academic, research or management objectives as opposed to being established as an active interface with governmental authorities.

In both the United States and Canada, however, there is an active tradition of voluntary associations of institutions formed to provide various services to members, most notably to act as information clearinghouses, to perform research on current educational problems affecting members, to organise national and regional conferences and workshops and to lobby governmental agencies in the name of their members. The largest such association in the United States is the American Council on Education (ACE). This organization acts as an "umbrella organisation", speaking for all

institutions of higher education and co-ordinating the joint activities of associations representing more narrowly defined segments of the higher education community. In Canada, the nominal umbrella organisation is the Association of Universities and Colleges of Canada (AUCC), but its role of overall leadership and co-ordination among the Canadian higher education associations has not been maintained. Instead, a strong leadership role has in many instances been exercised at the provincial level, as with the Conference of Rectors and Principals of the Universities of Quebec.

Examples of other associations representing specific segments of the North American higher education community include the following:

Association of Canadian Faculties of Dentistry  
American Association of Colleges for Teacher Education  
American Association of State Colleges and Universities  
Association of Theological Schools in the United States  
and Canada  
National Association of Independent Colleges and  
Universities  
Association of American Medical Colleges.

As is the case with the professional associations for administrative personnel described previously, most institutions of higher education are represented by a variety of associations. However, the costly annual membership fee for most associations is forcing many colleges and universities to choose carefully among the associations they will continue to support.

### 5.5 Scale

The Area Reports discussed the question of scale both in terms of the size of individual institutions and in terms of the number of institutions within a country. In neither respect is the question of scale an issue of great importance in the management of North American institutions. Certainly in terms of individual institutions, scale is a relative matter: a very large institution in many of the countries surveyed would be of only moderate size in North America. Furthermore, the computerization of many aspects of institutional operations directly affected by size (e.g. student registration and subsequent record keeping, payroll procedures and personnel management) has helped university administrators maintain efficient operations even in complex institutions of 30,000 or more students. (That is not to say, however, that those institutions that have grown rapidly in size have not had to adapt to the larger administrative staffs and more impersonal work environment that accompanies such an increase in scale.) Finally, in comparing the impact of individual institutional scale on management processes between North America and Europe, one should not underestimate the importance of the North American custom of investing substantial personal authority in university executives as a major means of achieving the efficient and effective management of such large enterprises.

As for the problem of scale in terms of numbers of individual institutions, the enormous 64-institution State University of New York demonstrates that large scale need not inhibit the provision of quality education nor stifle the creative management of institutions within the system. Rather, for most institutions (especially the private colleges and universities), problems associated with scale in the sense of numbers of institutions are intensely personal: how will the institution survive through the next decade, given the large number of institutions with which it must compete in the face of precipitously climbing costs and a projected global decline in enrolments? For public institutions, such life-and-death questions are more a matter of state educational policy than of institutional prerogatives; for private institutions, they are literally the ultimate managerial challenge.

#### 5.6 Economic Uncertainty

The effect of economic uncertainty on institutional management is one issue for which the viewpoint of the public colleges and universities of North America is virtually identical to that described in the three European Area Reports. Uncertainties regarding rates of inflation, state and provincial economies and the relative priorities for higher education in the political process of resource allocation are as fundamental a problem for the public institutions of North America as for their European counterparts. The effect of economic uncertainty on institutional operations, however, is a problem of even greater concern for the private colleges and universities of North America. Although the economic factors influencing institutional expenses are largely the same for public and private institutions, entirely different managerial skills are required in these two categories of institutions for dealing with uncertainties regarding revenues. Whereas the executives of state colleges and universities must analyze economic uncertainties from a predominately political viewpoint, uncertainties regarding the income for private institutions must be analyzed in the realms of free market economics, investment management and financial forecasting. Tuition rates are set amid uncertainties regarding elasticity of student demand and competitive advantage in a finite market; endowments are managed in the face of increasing uncertainties in investment markets and budgets are proposed based on revenues from gifts and donations, whose amounts vary widely in response to financial market conditions. It may be predicted with some confidence that those private institutions that will best survive the difficult decade to come are those whose managements possess the greatest skill and sophistication in analyzing the extremely complex economic uncertainties to which they must respond.

#### 5.7 Complexity

There can be no question that the environment of higher education, from a managerial viewpoint, has become more complex during the last decade. What is perhaps not so clear

is the extent to which managerial structures and processes have been adversely affected by such change. Certainly the increased size of many institutions has allowed development of a variety of new academic programmes, as well as increased differentiation in existing programmes, but it is not obvious that such a proliferation of academic units has resulted in a proportional increase in managerial complexity. It has already been noted, however, that the administrative structure of colleges and universities has undergone a series of modifications in response to the large number of new legal requirements and restrictions introduced in recent years. Chief among these administrative responses is the introduction of new administrative positions, or the increased importance of existing positions, in the institution's middle management. Although the addition of these new administrative functions has increased the complexity of the institution's administrative apparatus, the majority of these new positions have been created to centrally co-ordinate functions formerly performed autonomously in various units of the institution; examples in the United States include centralized offices of student aid, centralized offices for research programme administration and centralized affirmative action offices - all established to co-ordinate university action and to ensure institutional compliance with detailed governmental procedures (in these cases in the awarding of student aid, the administration of research grants and contracts and the monitoring of employment practices, respectively). It might be argued, therefore, that such newly added administrative structure is effectively compensated by increased efficiency in performing these activities at a centralized level.

Another aspect of increasing complexity in higher education is the proliferation in constituencies with which the university administration must deal. Executive staff personnel have long been accustomed to interacting with the university's academic staff, the governing board and representatives of state and federal governmental agencies. Now, however, they must also deal effectively with statewide coordinating councils, offices of state systems of higher education and academic unions, as well as with the collective demands of students, womens' and minority rights advocates, physically handicapped individuals and a variety of other groups espousing environmental or social concerns.

The above notwithstanding, it should also be mentioned that most colleges and universities of the United States are inherently more complex than their European, or even Canadian, counterparts by virtue of the major administrative activities unique to these institutions. Their managerial structures must make provision for large-scale programmes of inter-collegiate athletics, active and well-co-ordinated programmes for soliciting gifts and donations from university alumni and benefactors and effective programmes of financial investment and endowment management. Each of these three types of activities requires a distinct set of managerial skills and

serves to greatly compound the overall complexity of the educational enterprise itself.

The complexity of North American colleges and universities has been characterized as an "organised anarchy" by virtue of its confusion of goals, numerous internal constituencies interacting at different times and in different ways to influence policy and ill-defined technology of instruction and research.<sup>28</sup> Although this phrase has a pleasing ring and is often quoted in discussions of managerial problems and practices, the European Area Reports confirm that North American institutions of higher education are decidedly less "anarchic" in virtually all aspects of administration than are their European counterparts. The ambiguity of the leadership role found to apply under such circumstances<sup>29</sup> certainly appears an apt characterization of the authority structure prevailing at a large number of European universities.

### 5.8 Internal Cohesion

This issue was not discussed to a great extent in the European Area Reports; similarly, it is difficult to generalize on this subject with regard to higher education in North America. It might be noted, however, that the tradition of relatively weak academic senates and other institution-wide bodies in the United States and Canada, together with the emergence of the department as the principal base of academic staff loyalty and authority, has hindered the development of institutional cohesion (in the sense of an academic community) throughout the modern era. Thus, it is difficult to analyze the loss of that which may have but infrequently actually existed. Many college and university presidents in the United States, however, will readily support the contention that the single most effective means of stimulating a sense of cohesiveness within the university community is to produce an exciting and winning football team.

### 5.9 Management/Employee Relations

The effects, both present and probable, of the increased militancy and growing popularity of academic unions in North America have already been discussed, as have the consequences of the numerous new rules promulgated in the United States regarding the university's employment of, and continued relations with, its personnel. Objective evaluations of these employment regulations and restrictions, now after four or five years of enforced implementation, commonly find that they are administratively burdensome, time-consuming and expensive - but that they have worked to increase the equality of opportunity in employment and to clarify obligations on the part of the employer and employee in such a way as to decrease abuses of fair employment practice.

### 5.10 Productivity

The European Area Reports mention all the commonly cited concerns expressed about the concept of productivity (as a quantitative relationship between inputs and outputs) in

higher education. These include the fact that increased productivity is being demanded of educational institutions at the same time that resources are being decreased; that the easiest way to achieve increased output under stable (or decreasing) funding conditions is to lower academic standards of admission and performance; and that a discussion of institutional productivity in the absence of acceptable measures of the many outputs of higher education is little more than an exercise in rhetoric. That is not to say, however, that questions of productivity are ignored in the colleges and universities of North America. Institutions in the United States and Canada are, in fact, increasing productivity in the sense of maintaining programme volume in the face of increasing expenses and decreasing real revenues. Moreover, experimentation is continuing in the development of alternative pedagogical methods, including such technological approaches as extensive use of television instruction and computer-aided instruction. Similarly, the development of more effective managerial techniques, most notably through the use of computerized management systems, has continued as a dominant theme of academic administration throughout the 1970s. Nevertheless, one must also heed those voices cautioning that higher education is not like a factory and that university management processes based predominantly on a desire to enhance productivity may ultimately prove counterproductive to the institution's basic missions.

## 6. CONCLUSIONS

In the project description for the State-of-the-Art Survey it is stated:

"There is little doubt that the North American studies and practices of university management have been in advance of those in Europe in the recent past. OECD has attempted to bridge that gap and it has helped to transfer American experience to Europe. However, that experience has affected practices in different European countries variously, and the reasons for that variety need to be analyzed."

Despite this assertion, upon reading the Area Reports it is difficult to recognize any area of European managerial structure or practice that reflects such a "transfer of experience" from North America. One possible explanation for this apparent lack of trans-Atlantic influence might be that North American structures and processes are simply not relevant to the managerial context in European universities. In particular, many recent developments in managerial practice in the colleges and universities of North America involve the improvement of procedures for decision processes that may not be prerogatives of university management in Europe, or that may be unrealistic in a context of collective and participative institutional decision making.

Although the success of the OECD in facilitating the transfer of American managerial "know-how" to European universities may be questioned, the State-of-the-Art Survey itself may serve to stimulate a "transfer of experience" - but in the opposite direction! For, in light of present trends in North America, the highly centralized national educational systems of continental Europe may be viewed as harbingers of the future. That is not to say that the states and provinces of North America are now prepared to introduce the kind of sweeping educational reforms experienced by European universities; indeed, the private colleges and universities of the United States continue to serve as strong bulwarks against such state assumption of control. Nevertheless, the European survey establishes a perspective from whose viewpoint the present status of North American higher education appears to be only precariously maintained. At the moment, the colleges and universities of North America still enjoy an autonomy in organizational structure and internal operation shared by very few other national educational systems. Their continuing emphasis on improved managerial effectiveness and the absence of debilitating politicization in institutional decision-making are characteristics reflecting such autonomy - characteristics shown in the Area Reports to be adversely affected by the imposition of increased state controls.

The fact remains, however, that such state oversight could be increased in North America, even if only gradually. The State-of-the-Art Survey clearly depicts the extent to which state and provincial governments could usurp institutional autonomy, prescribe institutional structure and influence internal governance processes. Although there is a clear risk, both politically and philosophically, in appearing to establish institutional autonomy as a goal in and of itself, the European Area Reports, as mentioned above, present as consistent themes the crippling politicization of decision-making bodies and the persistent drain on individual motivation and initiative characteristic of the highly state-controlled universities of continental Europe. To the extent that this survey has been able to document the undesirable and counterproductive consequences of such restrictive state practices, the OECD State-of-the-Art project has rendered a valuable service to North American higher education.

5.

# FOOTNOTES

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